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**FIRST MUNICIPAL DISTRICT ASSESSOR  
PARISH OF ORLEANS**

**FINANCIAL AND COMPLIANCE AUDIT  
TOGETHER WITH  
INDEPENDENT AUDITORS' REPORT**

**FOR THE YEAR ENDED DECEMBER 31, 2004**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date

7/27/05

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## **INDEPENDENT AUDITORS' REPORT**

To the Honorable Darren Mire  
**First Municipal District Assessor**  
**Parish of Orleans**  
New Orleans, Louisiana

We have audited the accompanying financial statements of the **First Municipal District Assessor, Parish of Orleans (the Assessor)** as of and for the year ended December 31, 2004, as listed in the Table of Contents. These financial statements are the responsibility of **the Assessor's** management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of **the Assessor** as of December 31, 2004, and the changes in its financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

**INDEPENDENT AUDITORS' REPORT**  
**(CONTINUED)**

To the Honorable Darren Mire  
First Municipal District Assessor  
Parish of Orleans  
New Orleans, Louisiana  
Page 2

In accordance with Government Auditing Standards, we have also issued our report dated June 15, 2005 on our consideration of **the Assessor's** internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards, and should be read in conjunction with this report in considering the results of our audit.

The management's discussion and analysis on page 3 to 7 and budgetary comparison on page 29 are not required as part of the basic financial statements but are supplementary information required by GASB. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

*Bruno & Tervalon LLP*  
**BRUNO & TERVALON LLP**  
**CERTIFIED PUBLIC ACCOUNTANTS**

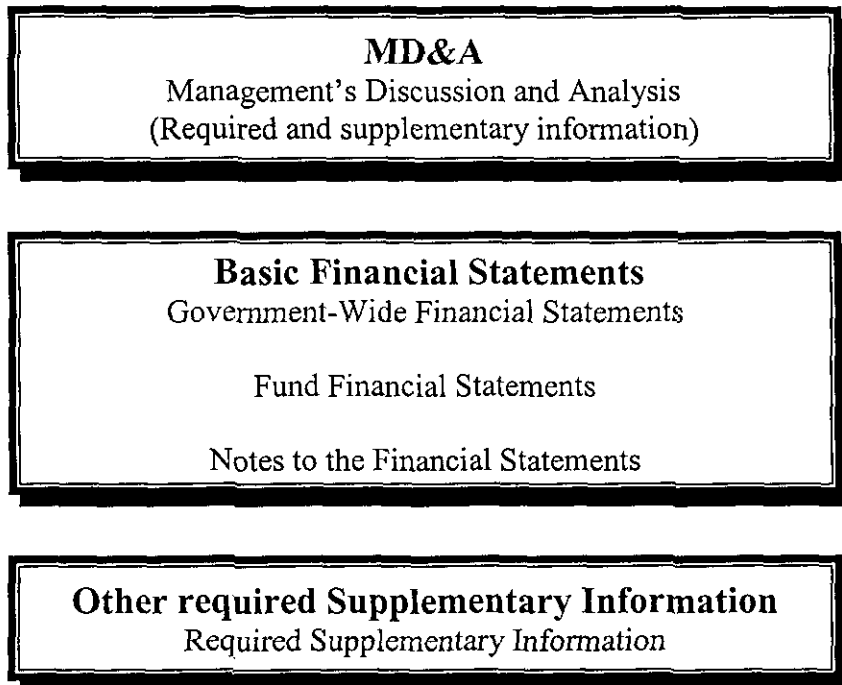
June 15, 2005

**FIRST MUNICIPAL DISTRICT ASSESSOR  
PARISH OF ORLEANS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2004**

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**First Municipal District Assessor, Parish of Orleans' (the Assessor)** management's discussion and analysis is intended to assist the reader in focusing on significant financial issues, provide an overview of **the Assessor's** financial activity, and identify changes in **the Assessor's** financial position and its ability to address the next and subsequent year challenges. It also identifies any material deviations from the financial plan and identifies individual fund issues or concerns. This is a requirement of the Governmental Accounting Standards Board Statement No. 34 (GASB 34) "Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments" and is intended to provide the financial results for the fiscal year ending December 31, 2004.

The following is an illustration on how this financial report is presented.



**FIRST MUNICIPAL DISTRICT ASSESSOR  
PARISH OF ORLEANS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended December 31, 2004**

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As indicated in the illustration, GASB 34 requires the presentation of two basic types of financial statements: Government-Wide Financial Statements and Fund Financial Statements.

**Government-Wide Financial Statements**

The government- wide financial statements provide a perspective of **the Assessor** as a whole. These statements use the full accrual basis of accounting similar to private sector companies. There are two government-wide statements: the Statement of Net Assets and the Statement of Activities.

The Statement of Net Assets combines and consolidates governmental funds' current financial resources (short-term spendable resources) with capital assets and long-term obligations, regardless if they are currently available or not.

Consistent with the full accrual basis method of accounting, the Statement of Activities accounts for current year revenues and expenses regardless of when cash is received or paid. The intent of this statement is to summarize and simplify the user's analysis of the costs of various services.

**Fund Financial Statements**

The fund statements are similar to financial presentations of local governmental agencies, but the new focus is on **the Assessor's** major funds rather than fund types as in the past. The fund statements are reported using the modified accrual method of accounting. Under this basis of accounting, revenues are recorded when received except where they are measurable and available and therefore represent resources that may be appropriated. Expenditures are accounted for in the period that goods and services are used in school programs. In addition, capital asset purchases are expensed and not recorded as assets. Debt payments are recorded as expenditures in the current year and future debt obligations are not recorded.

The General Fund is the only fund of **the Assessor**. The General Fund is used primarily to account for the general education activities of **the Assessor**. Its revenues are derived from allotments and revenue sharing received from the Board of Assessor, Parish of Orleans (the Board).

**FIRST MUNICIPAL DISTRICT ASSESSOR  
PARISH OF ORLEANS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended December 31, 2004**

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**Financial Analysis of the Assessor**

		Summary of Net Assets (Deficit)		
		<u>2004</u>	<u>2003</u>	<u>Change</u>
<b>Assets</b>				
Current assets		\$28,763	\$24,583	\$ 4,180
Capital assets		26,968	27,731	(763)
Less accumulated depreciation		<u>(23,170)</u>	<u>(21,817)</u>	<u>(1,353)</u>
Capital assets, net book value		<u>3,798</u>	<u>5,914</u>	<u>(2,116)</u>
Total assets		<u>32,561</u>	<u>30,497</u>	<u>2,064</u>
<b>Liabilities</b>				
Current liabilities		<u>12,473</u>	<u>36,840</u>	<u>(24,367)</u>
Total liabilities		<u>12,473</u>	<u>36,840</u>	<u>(24,367)</u>
<b>Net Assets (Deficit)</b>				
Invested in capital assets		3,798	5,914	(2,116)
Unrestricted		<u>16,290</u>	<u>(12,257)</u>	<u>28,547</u>
Total net assets (deficit)		<u>\$ 20,088</u>	<u>\$ (6,343)</u>	<u>\$ 26,431</u>

As indicated by the statement above, total net assets are \$20,088. Net assets can be separated into two categories: invested in capital assets and unrestricted assets.

Invested in capital assets is a combination of capital assets at original cost less accumulated depreciation. The original cost of capital assets is \$26,968, which is an accumulation of capital assets year after year less any capital disposals. The accumulated depreciation is the accumulation of depreciation expense since acquisition. In accordance with accounting principles generally accepted in the United States of America, depreciation expense is recorded on the original cost of the asset, less an estimated salvage value, expensed over the estimated useful life of the asset. Total accumulated depreciation is \$23,170.

The remaining \$16,290 in net assets is unrestricted. The unrestricted net assets are an accumulation of prior years' operating results. This balance is directly affected each year by the Assessor's operating results.

**FIRST MUNICIPAL DISTRICT ASSESSOR  
PARISH OF ORLEANS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended December 31, 2004**

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**Results of Operations**

	<u>2004</u>	<u>2003</u>	<u>Change</u>
<b>General Revenues</b>			
Intergovernmental revenues – Board of Assessors	\$312,609	\$300,164	\$ 12,445
Interest income	125	66	59
Other income	<u>2,975</u>	<u>290</u>	<u>739</u>
 Total general revenues	 <u>315,709</u>	 <u>300,520</u>	 <u>15,248</u>
 <b>Expenses</b>			
Personnel services and related benefits	245,439	244,287	1,152
Operating services	<u>43,839</u>	<u>44,425</u>	<u>(586)</u>
 Total expenses	 <u>289,278</u>	 <u>288,712</u>	 <u>(566)</u>
 Increase in net assets	 <u>\$ 26,431</u>	 <u>\$ 11,808</u>	 <u>\$ 14,623</u>

Changes in the Assessor's revenue are reflected in the table above. Total general revenues increased by \$15,248, or about 5%, which is primarily due the district surplus allotment of \$15,000. The above statement shows how the \$26,431 increase in net assets occurred for 2004.

**Capital Assets and Debt Administration**

**Capital Assets**

At December 31, 2004, the Assessor had \$26,968 invested in furniture, fixtures and equipment.

Assets	<u>2004</u>	<u>2003</u>
Furniture, fixtures and equipment	\$26,968	\$27,731
Less accumulated depreciation	<u>\$23,170</u>	<u>\$21,817</u>
 Net capital assets	 <u>\$ 3,798</u>	 <u>\$ 5,914</u>

Depreciation expense for the year is \$2,116.



**FIRST MUNICIPAL DISTRICT ASSESSOR  
PARISH OF ORLEANS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended December 31, 2004**

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**Economic Factors and Next Year's Budget**

The major factor affecting the budget is the revenues received from the Board of Assessors, which includes the district allotment, document transfer fees, revenue sharing, surplus district allotments, and on-behalf payments.

**Original vs. Revised Budget**

As required by state law, the Assessor adopts the original budget for the office prior to the commencement of the fiscal year to which the budget applies.

The Assessor amended its original budget twice during the 2004 fiscal year.

**Revenue Budget**

The Assessor's actual general fund revenues of \$315,709 were more than the budget by \$29,314, a variance of 10%. This variance was created by earned document transfer fees revenues, district and on-behalf payments revenues in excess of budgeted amounts.

**Increase in Expenditure Budget**

The Assessor's actual general fund expenditures of \$287,162 were more than the budget by about 5%. This variance is primarily due to on behalf payments expenses and bad debt expenses exceeding related budgeted amounts.

**Contacting the Assessor Financial Management**

This financial report is designed to provide citizens, taxpayers, customers, investors and creditors with a general overview of the Assessor's finances and demonstrate the Assessor's accountability for money it receives. If you have questions about this report or need additional information, contact Mr. Darren G. Mire, Assessor, at Room 4E01 City Hall, New Orleans, Louisiana 70112 or [dmire@orleansassessors.com](mailto:dmire@orleansassessors.com).

**FIRST MUNICIPAL DISTRICT ASSESSOR  
PARISH OF ORLEANS  
STATEMENT OF NET ASSETS  
DECEMBER 31, 2004**

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**ASSETS**

**GOVERNMENTAL  
ACTIVITIES**

Current Assets:

Cash and cash equivalents (NOTES 2 AND 3)	\$14,927
Investments (NOTE 9)	10,191
Due from Board of Assessors	<u>3,645</u>

Total current assets	<u>28,763</u>
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Capital assets (NOTE 4)	<u>3,798</u>
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Total assets	<u>32,561</u>
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**LIABILITIES**

Accounts payable	<u>12,473</u>
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Total liabilities	<u>12,473</u>
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**NET ASSETS**

Invested in capital assets	3,798
Unrestricted	<u>16,290</u>

Total net assets	<u>\$20,088</u>
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The accompanying notes are an integral part of these financial statements.

**FIRST MUNICIPAL DISTRICT ASSESSOR  
PARISH OF ORLEANS  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2004**

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**GOVERNMENTAL  
ACTIVITIES**

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**EXPENSES**

**Personnel Services and Related Benefits:**

Salaries and wages	\$ 89,219
On-behalf payments for Assessor	117,157
Hospitalization insurance	12,487
Retirement	22,286
Payroll taxes	3,671
Other expenses	<u>619</u>

Total personnel services and related benefits	<u>245,439</u>
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**Operating Services:**

Bad debt expense	5,350
Office supplies and expenses	2,520
Assessor's personal expense allowance	8,774
Automobile lease	4,777
Accounting and auditing	8,357
Automobile expense	2,635
Dues and subscriptions	1,995
Depreciation	2,116
Other	328
Travel, meetings, and conferences	<u>6,987</u>

Total operating services	<u>43,839</u>
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Total expenses	<u>289,278</u>
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**GENERAL REVENUES**

District allotment	134,943
Appropriated from Orleans Board of Assessors	15,000
Document transfer fees	35,509
Revenue sharing	10,000
On-behalf payments	117,157
Interest income	125
Other income	<u>2,975</u>

Total revenues	<u>315,709</u>
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Change in net assets	26,431
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Net assets (deficit), beginning of year	<u>(6,343)</u>
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Net assets, end of year	<u>\$ 20,088</u>
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The accompanying notes are an integral part of these financial statements.

**FIRST MUNICIPAL DISTRICT ASSESSOR  
PARISH OF ORLEANS  
BALANCE SHEET - GOVERNMENTAL FUND  
DECEMBER 31, 2004**

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**GENERAL FUND**

**ASSETS**

Cash (NOTES 2 AND 3)	\$14,927
Investments	10,191
Due from Board of Assessors	<u>3,645</u>
 Total assets	 <u><u>\$28,763</u></u>

**LIABILITIES AND FUND BALANCE**

Liabilities:	
Accounts payable	\$ <u>12,473</u>
 Total liabilities	 <u>12,473</u>
 Fund Balance:	
Unreserved - undesignated	<u>16,290</u>
 Total fund balance	 <u>16,290</u>
 Total liabilities and fund balance	 <u><u>\$28,763</u></u>

The accompanying notes are an integral part of these financial statements.

**FIRST MUNICIPAL DISTRICT ASSESSOR  
PARISH OF ORLEANS  
RECONCILIATION OF THE BALANCE SHEET-  
GOVERNMENTAL FUND TO THE STATEMENT OF NET ASSETS  
DECEMBER 31, 2004**

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Total fund balance - Governmental Fund		\$ 16,290
Amounts reported for governmental activities in the Statement of Net Assets are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the fund (NOTE 4):		
The cost of capital assets is	\$ 26,968	
Accumulated depreciation is	<u>(23,170)</u>	<u>3,798</u>
Net assets of governmental activities		<u>\$ 20,088</u>

The accompanying notes are an integral part of these financial statements.

**FIRST MUNICIPAL DISTRICT ASSESSOR  
PARISH OF ORLEANS**  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE (DEFICIT)--GOVERNMENTAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2004

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GENERAL FUND

**REVENUES**

District Allotment	\$134,943
Appropriated from Orleans Board of Assessors	15,000
Document transfer fees	35,509
Revenue sharing	10,000
On-behalf payments	117,157
Interest income	125
Other income	<u>2,975</u>
Total revenues	<u>315,709</u>

**EXPENDITURES**

Personnel services and related benefits:

Salaries and wages	89,219
On-behalf payments for Assessor	117,157
Hospitalization insurance	12,487
Retirement	22,286
Payroll taxes	3,671
Other	<u>619</u>

Total personnel services and related benefits 245,439

Operating services:

Bad debt expense	5,350
Office supplies and expenses	2,520
Assessor's personal expense allowance	8,774
Automobile lease	4,777
Accounting and auditing	8,357
Automobile expense	2,635
Dues and subscriptions	1,995
Other	328
Travel, meetings, and conferences	<u>6,987</u>

Total operating services 41,723

Total expenditures 287,162

Net change in fund balance 28,547

Fund balance (deficit), beginning of year (12,257)

Fund balance, end of year \$ 16,290

The accompanying notes are an integral part of these financial statements.

**FIRST MUNICIPAL DISTRICT ASSESSOR  
PARISH OF ORLEANS  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE (DEFICIT)--GOVERNMENTAL FUND  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2004**

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Total net change in fund balance--Governmental Fund	\$28,547
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Amounts reported for governmental activities in  
the Statement of Net Assets are different because:

The Governmental Fund reported capital outlays as  
expenditures whereas in the Statement of Activities,  
these costs are depreciated over their estimated lives:

Depreciation expense	<u>(2,116)</u>
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Change in net assets of governmental activities	<u>\$26,431</u>
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The accompanying notes are an integral part of these financial statements.

**FIRST MUNICIPAL DISTRICT ASSESSOR  
PARISH OF ORLEANS  
NOTES TO THE FINANCIAL STATEMENTS**

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NOTE 1 - Introduction:

The **First Municipal District Assessor, Parish of Orleans (the Assessor)**, is an independently elected official and is one of seven (7) assessors for Orleans Parish. There are seven (7) municipal districts with an independently elected assessor for each district. All assessor offices are located on the 4<sup>th</sup> floor of the Orleans Parish City Hall, 1300 Perdido Street. Louisiana Revised Statute (R.S.) 47:1909 states that the governing authority of the City of New Orleans shall provide suitable rooms in the City Hall for the use of the assessor of each municipal district and for the Board of Assessors. Therefore, the upkeep and maintenance costs of the assessors' offices are not included in the accompanying financial statements.

The Board of Assessor, Parish of Orleans (the Board), comprised of the seven Orleans Parish assessors, is the administrative body for the Orleans Parish assessors and their seven (7) municipal districts. R.S. 47:1909 provides that the assessors elected in the Parish of Orleans shall constitute a Board of Assessors for the parish and each assessor shall independently exercise his functions in the assessing and listing of the property in and for his respective district within the Parish.

The Board's primary revenue is ad valorem taxes collected by the New Orleans Department of Finance - Bureau of Treasury (City Tax Collector) from the assessment tax rolls of the Parish. The seven (7) Orleans Parish assessors receive an allotment from the Board on a pro-rata basis for operation of their offices. The remaining funds of the Board are used to pay the Assessors' salaries and fringe benefits and administrative expenses of the Board.

**The Assessor** assesses all real and movable property in his municipal district subject to ad valorem taxation. **The Assessor** is authorized to appoint as many deputies as may be necessary for the efficient operation of the office and to provide assistance to the taxpayers in his district. The deputies are authorized to perform all functions of the office, but **the Assessor** is officially and pecuniarily responsible for the actions of the deputies. **The Assessor** has five employees.



**FIRST MUNICIPAL DISTRICT ASSESSOR  
PARISH OF ORLEANS  
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

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NOTE 1 - Introduction, Continued:

**The Assessor** completes an assessment listing by August 1<sup>st</sup> of the tax year and submits the list to the parish governing authority, as prescribed by law. Once the assessment listing is approved/certified by the Louisiana Tax Commission, the assessment roll is submitted to the City Tax Collector, who is responsible for the collection and distribution of taxes to the various taxing bodies.

The election for the First Municipal District Assessor is held every four years in the month of February and the elected assessor takes office on the first Monday in May. The current assessor's term began on May 6, 2002.

NOTE 2 - Summary of Significant Accounting Policies:

Basis of Presentation

The accompanying financial statements of **the Assessor** have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

Implementation of GASB Statements

**The Assessor** follows the provisions of GASB Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis- for State and Local Governments, as amended by GASB Statement No. 37 and No. 38, and applied those standards on a retroactive basis. GASB Statement No. 34 established standards for external financial reporting for state and local governments and requires that resources be classified for accounting and reporting purposes into the following three net asset categories.

**FIRST MUNICIPAL DISTRICT ASSESSOR  
PARISH OF ORLEANS  
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

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NOTE 2 - Summary of Significant Accounting Policies, Continued:

Implementation of GASB Statements, Continued

Invested in Capital Assets - consists of capital assets, net of accumulated depreciation.

Restricted Net Assets - result when constraints placed on net asset use are either externally imposed by creditors, grantors, contributions, and the like, or imposed by law through constitutional provisions or enabling legislation. At December 31, 2004, **the Assessor** had no restricted net assets.

Unrestricted Net Assets - consist of net assets which do not meet the definition of the two preceding categories. Unrestricted net assets often are designated to indicate that management does not consider them to be available for general operations. Unrestricted net assets often have constraints on resources which are imposed by management, but can be removed or modified.

The Statement of Activities - demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable within a specific function. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not meeting the definition of program revenues are instead reported as general revenue.

**FIRST MUNICIPAL DISTRICT ASSESSOR  
PARISH OF ORLEANS**  
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

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NOTE 2 - Summary of Significant Accounting Policies, Continued:

Reporting Entity

**The Assessor** is a separate governmental reporting entity. The Board determined that they were a separate governmental reporting entity and that each assessor of the Parish of Orleans was a separate governmental reporting entity. Therefore, for financial reporting purposes, **the Assessor** includes all funds that are controlled by **the Assessor** as an independently elected parish official. The activities of other independently elected parish officials and municipal level governments are not included within the accompanying financial statements.

Fund Accounting

**The Assessor** uses a fund (General Fund) to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. On the other hand, an account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

The fund of **the Assessor** is classified as a governmental fund (General Fund), which accounts for **the Assessor's** general activities, including the collection and disbursement of specific or legally restricted monies and the acquisition of general fixed assets.

The General Fund, as provided by R.S. 47:1906, is the principal operating fund of **the Assessor** and accounts for the operation of **the Assessor's** office.

**FIRST MUNICIPAL DISTRICT ASSESSOR  
PARISH OF ORLEANS  
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

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NOTE 2 - Summary of Significant Accounting Policies, Continued:

Basis of Accounting/Measurement Focus

Government-Wide Financial Statements (GWFS)

The Statement of Net Assets and the Statement of Activities display information about the reporting government as a whole. These statements include all the financial activities of **the Assessor**.

The GWFS were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, Accounting and Financial Reporting for Nonexchange Transactions.

Fund Financial Statements (FFS)

Governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balance reports on the sources (i.e. revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the governmental-wide statements and the statements for governmental funds are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

**FIRST MUNICIPAL DISTRICT ASSESSOR  
PARISH OF ORLEANS  
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

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**NOTE 2 - Summary of Significant Accounting Policies, Continued:**

**Basis of Accounting/Measurement Focus, Continued**

**Fund Financial Statements (FFS), Continued**

FFS report detailed information about **the Assessor**. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. At December 31, 2004, the general fund is the only major fund of **the Assessor**.

The General Fund is maintained on the modified accrual basis of accounting wherein revenues are recognized in the accounting period in which they become available and measurable. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. **The Assessor** uses the following practices in recording revenues and expenditures.

**Revenues**

District allotments and revenue sharing are recorded in the year they are due and payable. Document transfer fees and legal fees reimbursed are recorded as revenues when received. Interest income on time deposits is recorded when the time deposits have matured.

**Expenditures**

Expenditures are recognized in the accounting period in which the liability is incurred.

**FIRST MUNICIPAL DISTRICT ASSESSOR  
PARISH OF ORLEANS  
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

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NOTE 2 - Summary of Significant Accounting Policies, Continued:

Budgetary Accounting

Louisiana law (R.S. 1305 and 1309) requires **the Assessor** to prepare and adopt a budget for the General Fund before the beginning of the ensuing fiscal year. The budget is prepared based on the prior year's actual revenues and expenditures, along with any financial forecasting that may be necessary.

Any unused appropriations for budgeted funds lapse at year end. **The Assessor** has sole governing authority to amend the budget. Encumbrance accounting is not employed as a management control device. Unexpected appropriations and any excess of revenues over expenditures are carried forward to the subsequent year as beginning fund balance. Budget amounts included in the accompanying financial statements reflect the originally adopted budget and all subsequent amendments.

On-Behalf Payments for Fringe Benefits and Salaries

On-behalf payments for fringe benefits and salaries totaled \$117,157 for the year. **The Assessor's** salary of \$87,740 was paid directly to **the Assessor** from the Board. In addition, the Board paid fringe benefits, which includes pension plan contributions and health insurance premiums, totaling \$29,417 on behalf of **the Assessor**. On-behalf payments are reported as revenues (on-behalf payments) and expenditures (personal services and related benefits) in the financial statements.

Certain operating expenditures of **the Assessor's** office are paid by the City of New Orleans and are not included in the accompanying financial statements. These operating expenditures include office space, utilities, telephones, and janitorial services.

**FIRST MUNICIPAL DISTRICT ASSESSOR  
PARISH OF ORLEANS  
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

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NOTE 2 - Summary of Significant Accounting Policies, Continued:

Cash and Cash Equivalents

Cash and cash equivalents include amounts in demand deposits and time certificates of deposit with original maturities of 90 days or less. Under state laws, **the Assessor** may deposit funds in demand deposits, interest-bearing demand deposits, or time certificates of deposit of state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

Capital Assets

Capital assets are valued at historical cost (at the time purchased), or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value on the date received.

Leave

**The Assessor** has the following policy relating to vacation and sick leave:

Employees earn 10 days of vacation leave upon completion of one year of employment. Upon five years of employment and up to 15 years of employment, employees earn 15 days of vacation leave. Employees with more than 15 years of employment earn 20 days of vacation leave. Vacation leave not taken/used at the end of the year is not carried over the following year. Therefore, a liability for unused vacation leave at December 31, 2004, is not recorded in the financial statements.

**FIRST MUNICIPAL DISTRICT ASSESSOR  
PARISH OF ORLEANS  
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

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NOTE 2 - Summary of Significant Accounting Policies, Continued:

Leave, Continued

Employees earn sick leave at the rate of one-half day for each month of employment. Employees may accumulate sick leave indefinitely. Unused sick leave can be taken only in the event of illness and is not convertible to pay upon termination of employment or retirement. Therefore, a liability for unused sick leave at December 31, 2004, is not recorded in the financial statements.

Vacation and sick pay expenditures are charged to operations when incurred.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditures during the reporting period. Actual results could differ from those estimates.

NOTE 3 - Cash and Cash Equivalents:

At December 31, 2004, **the Assessor** has cash and cash equivalents (book balances) totaling \$14,927.



**FIRST MUNICIPAL DISTRICT ASSESSOR  
PARISH OF ORLEANS  
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

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**NOTE 3 - Cash and Cash Equivalents, Continued:**

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balance) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of any pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. At December 31, 2004, **the Assessor** has \$21,927 in deposits (collected bank balances). These deposits are fully secured from risk by federal deposit insurance (GASB Category 1).

**NOTE 4 - Capital Assets:**

Capital assets and depreciation activity as of and for the year ended December 31, 2004 are as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<u>Assets</u>				
Furniture, fixtures and equipment	\$27,731	\$ -0-	\$(763)	\$ 26,968
<u>Accumulated Depreciation</u>				
Furniture, fixtures and equipment	(21,817)	(2,116)	763	(23,170)
Net capital assets	\$ <u>5,914</u>	\$ <u>(2,116)</u>	\$ <u>-0-</u>	\$ <u>3,798</u>

**FIRST MUNICIPAL DISTRICT ASSESSOR  
PARISH OF ORLEANS  
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

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**NOTE 5 - Pension Plan:**

**Plan Description**

Substantially all employees of the Assessor's office are members of the Louisiana Assessors' Retirement System (the System), a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees.

All full-time employees that are not drawing retirement benefits from any other public retirement system in Louisiana are required to participate in the System. Employees who retire at or after age 55 with at least 12 years of credited service or at or after age 50 with at least 30 years of credited service are entitled to a retirement benefit, payable monthly for life, equal to 3.33% of their highest monthly average final compensation received during any 36 consecutive months while employed times the number of years of the member's creditable service not to exceed 100% of their monthly average final compensation, after taking into account the reduction arising from any optional retirement selected.

Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least 12 years of service and do not withdraw their employee contributions may retire at or after age 55 and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Louisiana Assessors' Retirement System, Post Office Box 14699, Baton Rouge, Louisiana 70898, or by calling (225) 928-8886.

**FIRST MUNICIPAL DISTRICT ASSESSOR  
PARISH OF ORLEANS  
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

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NOTE 5 - Pension Plan, Continued:

Funding Policy

Plan members are required by state statute to contribute 8.5% of their annual covered salary and **the Assessor** is required to contribute at an actuarially determined rate. The current rate is 3.5% of annual covered payroll. Contributions to the System also include one-fourth of 1% (1% for Orleans Parish) of the taxes shown to be collectible by the tax rolls of each parish, plus revenue sharing funds appropriated by the legislature. The contribution requirements of plan members and **the Assessor** are established and may be amended by state statute. As provided by R.S. 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. **The Assessor's** contributions (excluding the contributions made by the Board on-behalf of the Assessor) to the System for the years ended December 31, 2004, 2003 and 2002, were \$22,286, \$14,319 and \$10,063, respectively equal to the required contributions for each year.

NOTE 6 - Lease Commitment:

**The Assessor** leases an automobile that is accounted for as an operating lease. On December 10, 2002, **the Assessor** entered into a lease agreement, which is for forty-eight (48) monthly payments of \$398, beginning January 10, 2004 and ending on December 10, 2006. For the year ended December 31, 2004, automobile lease expenditures/expenses totaled \$4,777.

**FIRST MUNICIPAL DISTRICT ASSESSOR  
PARISH OF ORLEANS  
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

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NOTE 6 - Lease Commitment, Continued:

At December 31, 2004, the future minimum annual commitments are as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2005	\$4,776
2006	<u>4,776</u>
Total	<u>\$9,552</u>

NOTE 7 - Risk Management:

**The Assessor** is exposed to various risks of loss related to limited torts, theft of, damage to and destruction of assets; errors and omissions and natural disasters for which **the Assessor** is covered by commercial insurance.

NOTE 8 - Contingency Litigation:

**The Assessor** has been a defendant in lawsuits arising principally in the normal course of operations. For the year ended December 31, 2004, no outstanding lawsuits existed against **the Assessor**.

**FIRST MUNICIPAL DISTRICT ASSESSOR  
PARISH OF ORLEANS  
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

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**NOTE 9 - Investments:**

Investment held at December 31, 2004, consist of \$10,191 in the Louisiana Asset Management Pool (LAMP), a local government investment pool. In accordance with GASB Codification Section 150.126, the investment in LAMP at December 31, 2004 is not categorized in the three risk categories provided by GASB Codification Section 150.125 because the investment is in a pool of funds and therefore not evidenced by securities that exist in physical or book entry form.

LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest, in accordance with LAS-R.S. 33:2955. Accordingly, LAMP investments are restricted to securities issued, guaranteed, or backed by the U.S. Treasury, the U.S. Government, or one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by those securities.

Effective August 1, 2001, LAMP's investment guidelines were amended to permit the investment in government-only money market funds. In its 2001 Regular Session, the Louisiana Legislature (Senate Bill No. 512, Act 701) enacted LAS-R.S. 33:2955(A)(1)(h) which allows all municipalities, parishes, school boards, and any other political subdivisions of the State to invest in "Investment grade (A-1/P-1) commercial paper of domestic United States corporations." Effective October 1, 2001, LAMP's Investment Guidelines were amended to allow the limited investment in A-1 or A-1+ commercial paper.

**FIRST MUNICIPAL DISTRICT ASSESSOR  
PARISH OF ORLEANS  
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

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**NOTE 9 - Investments, Continued:**

The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. The investments in LAMP are stated at fair value based on quoted market rates. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the value of the pool shares.

LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company.

## SUPPLEMENTARY INFORMATION

**FIRST MUNICIPAL DISTRICT ASSESSOR  
PARISH OF ORLEANS  
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2004**

	<u>Budgeted Amount</u>		<u>Actual</u>	Variance With Final Budget <u>Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>	<u>Amount</u>	
<b>REVENUES</b>				
District allotment	\$134,943	\$134,943	\$134,943	\$ -0-
Appropriated from Orleans Board of Assessors	1,570	-0-	15,000	15,000
Document transfer fees	42,623	30,877	35,509	4,632
Revenue sharing	10,909	10,000	10,000	-0-
On-behalf payments	95,940	107,768	117,157	9,389
Interest income	63	112	125	13
Other income	<u>247</u>	<u>2,695</u>	<u>2,975</u>	<u>280</u>
Total revenues	<u>286,295</u>	<u>286,395</u>	<u>315,709</u>	<u>29,314</u>
<b>EXPENDITURES</b>				
Personnel services and related benefits:				
Salaries and wages	99,472	89,666	89,219	447
On-behalf payments for Assessor	95,940	107,768	117,157	(9,389)
Hospitalization insurance	14,850	12,939	12,487	452
Retirement	12,331	21,258	22,286	(1,028)
Payroll taxes	3,898	3,884	3,671	213
Other	<u>40</u>	<u>731</u>	<u>619</u>	<u>112</u>
Total personnel services and related benefits	<u>226,531</u>	<u>236,246</u>	<u>245,439</u>	<u>(9,193)</u>
Operating services:				
Legal fees	12,521	-0-	-0-	-0-
Office supplies and expenses	1,732	1,579	2,520	(941)
Assessor's personal expense allowance	10,888	8,774	8,774	-0-
Automobile lease	4,777	5,255	4,777	478
Accounting and auditing	7,347	8,556	8,357	199
Automobile expense	1,959	2,032	2,635	(603)
Dues and subscriptions	1,940	2,393	1,995	398
Bad debt expense	-0-	-0-	5,350	(5,350)
Other	1,191	2,477	328	2,149
Travel, meetings and conferences	<u>5,259</u>	<u>7,606</u>	<u>6,987</u>	<u>619</u>
Total operating services	<u>47,614</u>	<u>38,672</u>	<u>41,723</u>	<u>(3,051)</u>
Total expenditures	<u>274,145</u>	<u>274,672</u>	<u>287,162</u>	<u>(12,244)</u>
Net change in fund balance	12,150	11,477	28,547	17,070
Fund deficit, beginning of year	<u>(12,257)</u>	<u>(12,257)</u>	<u>(12,257)</u>	<u>-0-</u>
Fund balance (deficit), end of year	<u>\$ (107)</u>	<u>\$ (780)</u>	<u>\$ 16,290</u>	<u>\$ 17,070</u>

See Accompanying Independent Auditors' Report.





**Member**

American Institute of  
Certified Public Accountants  
Society of Louisiana  
Certified Public Accountants

Michael B. Bruno, CPA  
Alcide J. Tervalon, Jr., CPA  
Waldo J. Moret, Jr., CPA  
Paul K. Andoh, Sr., CPA

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE  
AND ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING BASED ON AN AUDIT OF  
FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Honorable Darren Mire  
**First Municipal District Assessor,**  
**Parish of Orleans**  
New Orleans, Louisiana

We have audited the financial statements of **First Municipal District Assessor, Parish of Orleans (the Assessor)** as of and for the year ended December 31, 2004, and have issued our report thereon dated June 15, 2005. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

**Compliance**

As part of obtaining reasonable assurance about whether **the Assessor's** financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly we do not express such an opinion. The results of our tests disclosed an instance of noncompliance that is required to be reported under Government Auditing Standards, which is described in the accompanying Schedule of Findings and Questioned Costs as item 04-01.

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE  
AND ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING BASED ON AN AUDIT OF  
FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS  
(CONTINUED)

**Internal Control over Financial Reporting**

In planning and performing our audit, we considered **the Assessor's** internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation or one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the use of **the Assessor**, its management and the Louisiana Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Bruno & Tervalon LLP*  
**BRUNO & TERVALON LLP**  
**CERTIFIED PUBLIC ACCOUNTANTS**

June 15, 2005

**FIRST MUNICIPAL DISTRICT ASSESSOR  
PARISH OF ORLEANS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2004**

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We have audited the financial statements of the **First Municipal District Assessor, Parish of Orleans** as of and for the year ended December 31, 2004, and have issued our report thereon dated June 15, 2005. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our audit of the financial statements as of December 31, 2004 resulted in an unqualified opinion.

**I. Summary of Independent Auditors' Results**

- A. Reportable conditions in internal control were disclosed by the audit of the financial statements: None Reported Material Weaknesses: No.
- B. Noncompliance which is material to the financial statements: Yes.
- C. Reportable conditions in internal control over major programs: N/A Material Weaknesses: N/A.
- D. The type of report issued on compliance for major programs: N/A.
- E. Any audit findings which are required to be reported under section 510(a) of OMB Circular A-133: N/A
- F. Major programs: N/A
- G. Dollar threshold used to distinguish between Type A and Type B programs: N/A.
- H. Auditee qualified as a low-risk auditee under section 530 of OMB Circular A-133: N/A.

**FIRST MUNICIPAL DISTRICT ASSESSOR  
PARISH OF ORLEANS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED  
FOR THE YEAR ENDED DECEMBER 31, 2004**

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**I. Summary of Auditors' Results**

I. A management letter was issued: No.

**II. Findings Relating to the Financial Statements Reported  
In Accordance with Government Auditing Standards**

04-01 - **Budget Amendment**

We noted during our audit that **the Assessor's** original and final adopted budgets were not balanced.

**The Assessor** is in noncompliance with Louisiana R.S.39:1308B which states the adopted budget shall be balanced with approved expenditures not exceeding the total of estimated funds available.

We recommend that **the Assessor** complies with the state law that requires its adopted budget be balanced.

**Management's Response**

**The Assessor** concurs with this finding. The budgeting of the fund deficit was an oversight due to mathematical errors. In the future **the Assessor** will make sure that the budget is in balance.

**III. Findings and Questioned Costs Relating to Federal Awards**

Not applicable.

**FIRST MUNICIPAL DISTRICT ASSESSOR  
PARISH OF ORLEANS  
SCHEDULE OF PRIOR YEAR FINDINGS, CONTINUED  
FOR THE YEAR ENDED DECEMBER 31, 2004**

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**I. FINDINGS RELATING TO THE FINANCIAL STATEMENTS  
REPORTED IN ACCORDANCE WITH GOVERNMENT  
AUDITING STANDARDS**

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03-01 **Budget Amendment**

We recommended that **the Assessor** monitor its budget on a regular basis to ensure that variances between budget and actual revenues, expenditures and beginning fund balance are always within the legal limits for budgeting controls.

**Current Status**

Unresolved. See current year finding 04-01.

**II. INTERNAL CONTROL AND FEDERAL COMPLIANCE**

Not applicable.

**III. MANAGEMENT LETTER**

No management letter comments reported.